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UNCLAS VILNIUS 001403

SIPDIS

STATE FOR EUR/NB, DS/IP/EUR AND INL

PARIS FOR USSS FIELD OFFICE

E.O.12958: N/A

TAGS: [ASEC](#) [PREL](#) [EFIN](#) [LH](#)

SUBJECT: LITHUANIAN POLICE SEIZE NINE MILLION COUNTERFEIT EUROS

REF: 03 Vilnius 485

1. Summary. The Lithuanian Police achieved a major victory in the fight against counterfeiting November 6, arresting thirteen people and seizing over nine million counterfeit Euros. The Police believe that the group has been printing Euros for several years. The Police also found printing plates for U.S. currency, but believes that the group was only printing Euros. The confiscated money earns Lithuania the dubious distinction of being one of the world's largest known exporters of counterfeit European currency. The Mission is following up with Lithuanian authorities, including by seeking USSS access to the U.S. counterfeit plates. End Summary.

2. On November 6, 2004, the Lithuanian Police conducted more than 40 simultaneous searches in the cities of Kaunas, Telsiai, Palanga, and other cities that shut down a counterfeiting operation responsible for printing and distributing counterfeit Euros throughout Europe in huge quantities. The majority of the arrests and seizure of counterfeit currency took place in a printing company in Kaunas. Thirteen people were arrested and over nine million counterfeit Euro notes were seized. The Court released two of those arrested and held the others for pretrial investigation. All face criminal charges carrying penalties of three to ten years' imprisonment. All the money found was in 100 Euro notes. Several of the men arrested were in the process of printing more counterfeit Euros when the Police raided.

3. The Police believe that the group has been printing Euros for several years, working seven days a week. The Police do not know the total amount produced by these printing plants, but at the time of the raids, they seized over nine million Euros. The Police also found printing plates for U.S. currency, but believe that the group was only printing Euros because they were more profitable than dollars. Investigators said the Euro notes were of high quality and could not be distinguished from legitimate currency with the naked eye.

4. This is believed to be the largest single seizure of counterfeit Euros ever. Lithuanian law enforcement agencies expect to uncover more counterfeiting groups in continued investigations. The confiscated money makes Lithuania one of the world's largest known exporters of counterfeit European currency.

5. This seizure is the result of a two-year investigation. Lithuanian officials initiated their investigation in part because of the arrest of several Lithuanian citizens in other countries for possession and distribution of counterfeit Euros. The Police believe that the counterfeiting group is connected with a Kaunas organized crime group. Last January, the police detained a couple of people trying to smuggle 50,000 fake euros from Lithuania to Belarus. The Police confirmed that these were counterfeit Euros from Kaunas.

Comment

6. This important seizure comes on the heels of U.S. Secret Service Counterfeit Detection/Financial Crimes training for 48 Police officers on October 18-22, 2004. This training was part of a Letter of Agreement between the United States and Lithuania, signed on September 30, 2003, to assist Lithuania in fighting counterfeiting. The Letter of Agreement included the purchase of \$50,000 of advanced surveillance equipment for the Police.

7. Embassy Vilnius has assisted Lithuania in previous efforts to investigate counterfeit U.S. dollars. Reftel reports Lithuania's success in a joint operation with the U.S. Secret Service. A Lithuanian organized crime group was shipping counterfeit U.S. currency and drugs to the United States. Lithuanian Police do not know yet if this 2003 arrest is related to the recent arrests.

8. Together with USSS Paris, the RSO is working with

Lithuanian officials to learn more about this investigation to arrange an inspection of the U.S. counterfeit plates for the USSS.

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